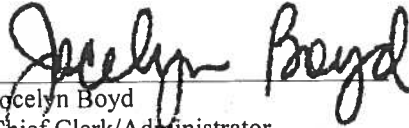


BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2018-212-W

IN RE:	Chief Colleen Walz, St. John's Fire District,)	
	Complainant/ Petitioner)	
)	
	v.)	NOTICE
)	
	Kiawah Island Utility, Inc.,)	
	Defendant /Respondent)	

TO: THE ABOVE NAMED DEFENDANT/RESPONDENT

PLEASE TAKE NOTICE that you are hereby required, pursuant to S. C. Code Ann. Regs. 103-826 and 103-830 of the Commission's Rules of Practice and Procedure, to answer the allegations contained in the Complaint/Petition filed herein, a copy of which is herewith served upon you, and further to serve a copy of your Answer to said Complaint/Petition upon the *Public Service Commission of South Carolina, Attn: Clerk's Office, 101 Executive Center Drive, Suite 100, Columbia, South Carolina 29210; the Complainant/Petitioner; and the Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201* and to file your Answer with certification of service with the Public Service Commission at the address below; with the Complainant/Petitioner; and with the Office of Regulatory Staff within thirty (30) days of receipt of the Complaint/Petition, exclusive of the day of such service, and if you fail to answer the Complaint/Petition within the time aforesaid, the Complainant/Petitioner may apply to the Commission for the relief demanded in the Complaint/Petition.


 Jocelyn Boyd
 Chief Clerk/Administrator
 Public Service Commission of SC
 101 Executive Center Drive, Suite 100
 Columbia, SC 29210

7/02/18

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

DOCKET NO. 2018-212-W

IN THE MATTER OF:

Chief Colleen Walz, St. John's Fire District
v.
Kiawah Island Utility, Inc.

)
)
)

CERTIFICATE OF SERVICE

U.S. Postal Service

I, Colanthia B. Alvarez, do hereby certify that I have on the date indicated below served the following named individual(s) with one (1) copy of the Complaint/Petition and one (1) copy of the 30 Day Notice, by U.S. Certified Mail, Restricted Delivery, with sufficient postage attached and return address clearly marked.

PARTIES SERVED:

Corporation Service Company
1703 Laurel Street
Columbia, SC 29201

I, Colanthia B. Alvarez, do hereby certify that I have on the date indicated below served the following named individual(s) with one (1) copy of the Complaint, 30 Day Notice, Profile Testimony Letter, and Notice of Hearing by Electronic Service via PSC Docket Management System.

PARTIES SERVED:

Becky Dennis, Director of Operations
Kiawah Island Utility, Incorporated
31 Sora Rail Road
Kiawah Island, SC 29455

Charles L. A. Terreni, Esquire
Terreni Law Firm, LLC
1508 Lady Street
Columbia, SC 29201

Jeffrey M. Nelson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia SC 29201

The Complainant/Petitioner was served a copy of the 30-Day Notice, Profile Testimony Letter, and Notice of Hearing via certified mail:

Colleen Walz, Chief
St. Johns Fire District
Post Office Box 56
Johns Island, SC 29457

Clerk's Office
Public Service Commission of South Carolina

By: Colanthia B. Alvarez
Colanthia B. Alvarez

Columbia, South Carolina
July 2, 2018

2018-212-W
276744

Complete Form, Print, Sign and Mail to:
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210



Phone: 803-896-5100

Fax: 803-896-5199

www.psc.sc.gov

Text PSCAGENDAS to 39492

To receive an alert when Meeting Agendas are released

Individual Complaint Form

Date*: 06/11/2018

RECEIVED

Complainant or Legal Representative Information:

* Required Fields

Name * Chief Colleen Walz

JUN 21 2018

Firm (if applicable) St Johns Fire District

PSC SC

Mailing Address * P. O. Box 56

MAIL / DMS

City, State Zip * Johns Island SC 29457

Phone * 843-559-9194

E-mail C.Walz@stjfd.org

Name of Utility Involved in Complaint: * Kiawah Island Utility, Inc.

Type of Complaint (check appropriate box below.) *

- | | | | |
|---|--|--|---|
| <input type="checkbox"/> Billing Error/Adjustments | <input type="checkbox"/> Deposits and Credit Establishment | <input type="checkbox"/> Wrong Rate | <input type="checkbox"/> Refusal to Connect Service |
| <input type="checkbox"/> Disconnection of Service | <input type="checkbox"/> Payment Arrangements | <input type="checkbox"/> Water Quality | <input type="checkbox"/> Line Extension Issue |
| <input type="checkbox"/> Service Issue | <input type="checkbox"/> Meter Issue | | |
| <input checked="" type="checkbox"/> Other (be specific) Fire Hydrant rental fee | | | |

Have you contacted the Office of Regulatory Staff (ORS)? * ☒ Yes ☐ No

Name of ORS Contact: Brad Kirby

Concise Statement of Facts/Complaint: * (This section must be completed. Attach additional information to this page if necessary.)

See Attached:

Complaint

Motion approved by the Commission

Map of the St Johns Fire District

Letter stating fire hydrant rental fee from Kiawah Island Utility, Inc

Relief Requested: * (This section must be completed. Attach additional information to this page if necessary.)

The District therefore requests that this fee be directly billed to and collected from customers of Kiawah Island Utility, Inc.

I GIVE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA PERMISSION TO PUBLISH THIS COMPLAINT AND ITS CONTENTS ON THE COMMISSION'S WEBSITE (dms.psc.sc.gov), AND I UNDERSTAND SUCH INFORMATION MAY BE SUBJECT TO PUBLIC SCRUTINY OR FURTHER RELEASE. ☒ Yes ☐ No

Complainant's Signature (MUST BE SIGNED, DO NOT PRINT)

STATE OF SOUTH CAROLINA)
COUNTY OF Charleston)**VERIFICATION**

I, COLLEEN Walz, Chief of St J

Complainant's Name

I certify that I have read my complaint filed on

June 11, 2018

Date *

Internal Use Only

Processed By	Date
H.E.	

and know the contents thereof, and that said contents are true.

Complainant's Signature (MUST BE SIGNED, DO NOT PRINT)

JUN 25 2018

PSC SC
MAIL / DMS

SETTLEMENT AGREEMENT EXHIBIT 1

RATE SCHEDULE NO. 5 FIRE HYDRANT SERVICE

AVAILABILITY - Available within the Company's service area.
APPLICABILITY - Applicable to fire hydrants connected to Company water mains.

Water Service Charges

\$134.79 per fire hydrant per year payable semiannually in advance for firefighting service.

*Order 2012-98
\$117.75 per hydrant*

When temporary water service from a hydrant is requested by a contractor or others, a meter will be installed and the charge will be:

*Order 2002-285
\$100 per hydrant*

\$8.00 for each day of use, PLUS \$4.87 /1000 gals for ALL water used, PLUS a \$50 security deposit.

RATE SCHEDULE NO. 6 GOLF COURSE IRRIGATION

AVAILABILITY - Available within the Company's service area.
APPLICABILITY - Applicable for golf course irrigation where the customer agrees to take as a minimum quantity the treated effluent from the wastewater treatment plant.

Water Service Charges

A.	Effluent Water:	
	Base Facilities Charge per Golf Course	\$ 4,349.68/mo.
	Consumption	\$ 0.19 / 1000gal.
B.	Deep Well Water:	
	Base Facilities Charge per Golf Course	\$ 1,085.54/mo.
	Consumption	\$ 0.28 / 1000gal.
C.	Potable Water:	
	Base Facilities Charge per Golf Course	\$ 815.39/mo.
	Consumption	\$ 4.87 / 1000gal.

RATE SCHEDULE NO. 7 FIRE LINE SERVICE

AVAILABILITY - Available within the Company's service area.
APPLICABILITY - Applicable for private fire lines.

Water Service Charges

Base Facilities Charge	
2" Line	\$ 8.09/mo.
3" Line	\$ 14.81/mo.
4" Line	\$ 25.87/mo.
8" Line	\$ 51.34/mo.

Tap-In Fees

2" Line	\$ 4,000.00
3" Line	\$ 8,750.00
4" Line	\$ 25,000.00

Water tap-in fee where the service is larger than 4" shall be based on the tap-in fee schedule as listed in the Commercial Service Schedule No. 2.

Complaint submitted by the St Johns Fire District

The St. John's Fire Commission, by and through its undersigned Commissioners and pursuant to a vote at its regular monthly meeting on June 11, 2018, challenges the reasonableness and fairness of fire hydrant "rental fees" being charged by Kiawah Island Utility, Inc., 31 Sora Rail Road, Kiawah Island, SC 29455. The present rate is \$134.79 per hydrant per year. There are approximately 494 hydrants involved for a total of approximately \$66,586.26.

The St. Johns Fire District is a Special Purpose District created by the South Carolina Legislature in 1959 to provide fire protection to Johns Island, Wadmalaw Island, Kiawah Island, and Seabrook Island. At the time of the creation of the District, the 4 sea islands were very rural areas, indeed both Kiawah and Seabrook were essentially undeveloped. Since 1959 the District has experienced dramatic growth, particularly on Kiawah and Seabrook Islands. Also, some portions of Johns Island have been annexed by the City of Charleston. A map of the District is attached for your reference.

Approximately 40 years ago, the District began the practice of paying "rent" for hydrants based on a flat fee for each hydrant. This "rent" was to cover water usage and infrastructure costs. Although no signed contracts can be found, it appears from meeting minutes in 1979 that the original intent was for the flat fee "rent" to extend for a period of 20 years. Kiawah Island had no water service at that time, but the same procedure was followed when Kiawah later began providing water service and hydrants. The original rate was \$75.00 per hydrant. Over time, a number of changes have taken place which have rendered the original arrangement obsolete.

These changes include:


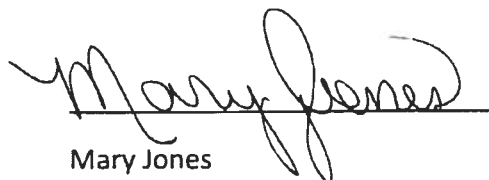
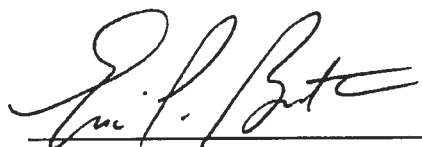

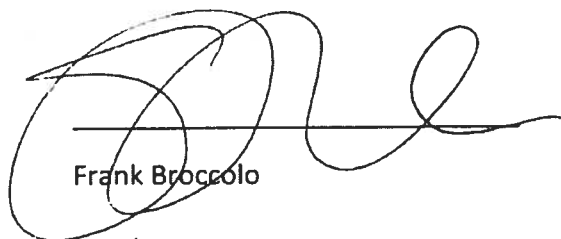

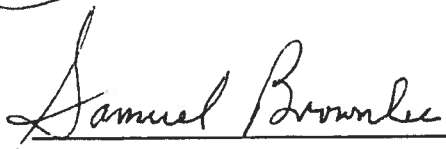
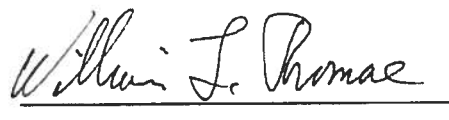
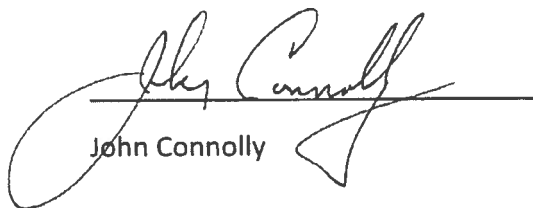
1. The 20 years has expired.
2. Infrastructure costs are now reimbursed by developers.
3. The number of hydrants has increased dramatically.
4. Kiawah has developed into an upscale community and is now incorporated as a town.
5. the water supply for Kiawah is now a private concern for profit.

Kiawah Island Utility, Inc. distributes water that originates with the Commissioners of Public Works for the City of Charleston, Charleston Water System. The District has since evaluated its water usage for 2017 and estimates it used less than \$7,000 of water that year. The District believes there is no rational relationship between the amount charged and the services rendered. Also, because the St. John's Fire District is funded by residents from 3 islands not part of the town of Kiawah, there is the appearance that they are being "taxed" to pay for Kiawah's water. It is of note that Wadmalaw Island has no fire hydrants or water service. The District therefore asserts that the present system and rate is not just unreasonable as to amount, but is also unfair because it charges customers not in its service area.

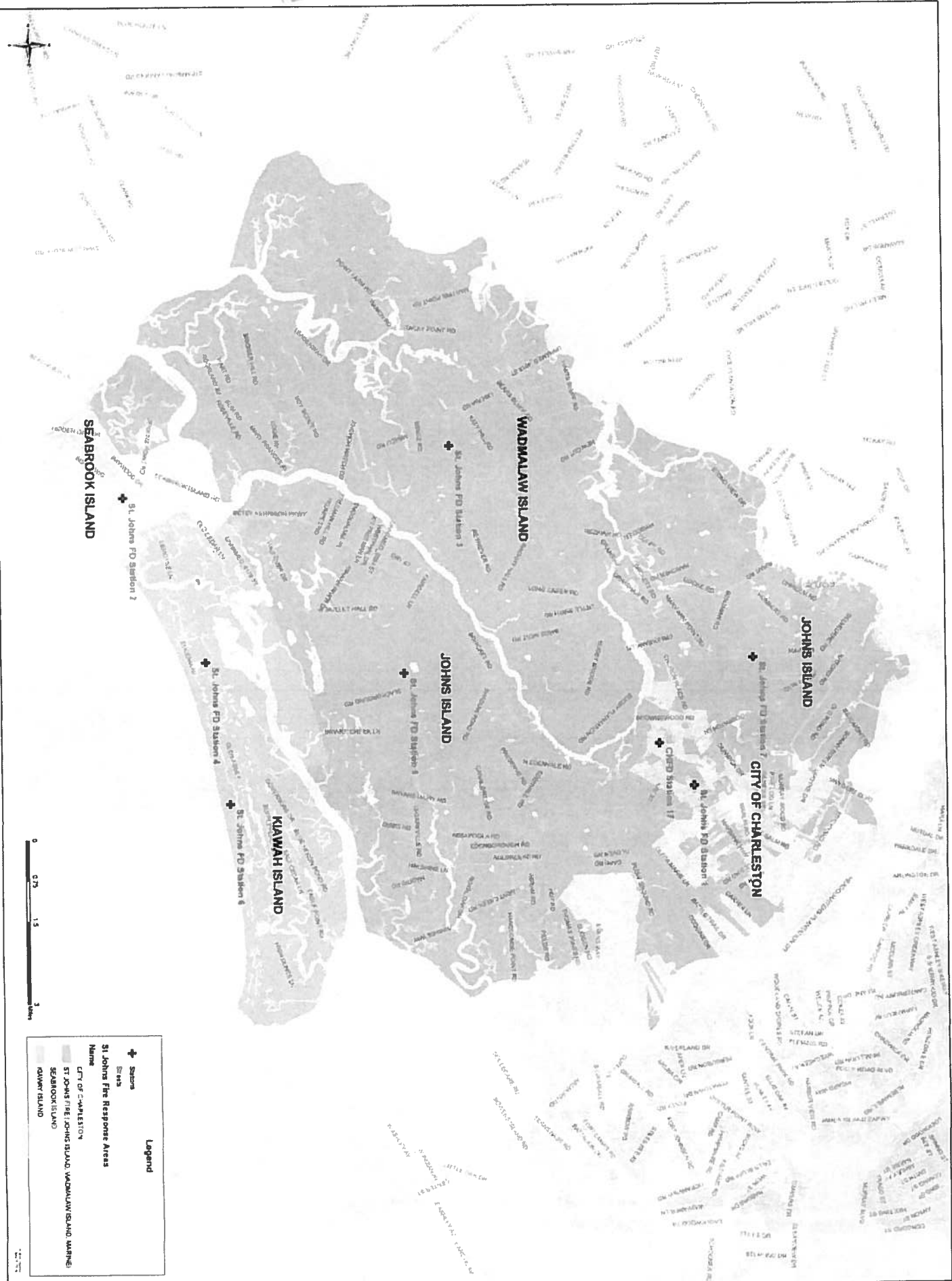
With these things in mind, the district believes the fairest practice would be for the present system to be eliminated and for future billing to be assessed through the water base rate directly to the customers on Kiawah Island. The water base rate is now in place for fire hydrants and related costs at the City of Charleston through the Charleston Water System.

Motion presented to the St Johns Fire District Commission on June 11, 2018

I move that the Commission file an official complaint with the South Carolina Public Service Commission challenging both the reasonableness and fairness of the fire hydrant "rental" fee of \$134.79 being charged by Kiawah Island Utility, Inc. The complaint will seek to have the hydrant fees assessed directly to the customers of Kiawah Island Utility, Inc. and that the amount be adjusted to a reasonable rate.


Leroy Blake
Mary Jones
Eric Britton
Debra Lehman
Frank Broccolo
Stephen Rolando
Samuel Brownlee
William Thoma
John Connolly

ST JOHN'S FIRE DISTRICT



Legend

+	Station
■	St. John's Fire Response Areas
■	CITY OF CHARLESTON
■	ST JOHN'S FIRE (JOHNS ISLAND, WADMALAW ISLAND, MARINE)
■	SEABROOK ISLAND
■	KIAWAH ISLAND

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

NOTICE OF HEARING

DOCKET NO. 2018-212-W

Colleen Walz, Chief of St. John's Fire District, Complainant/Petitioner v. Kiawah Island Utility, Inc., Defendant/Respondent

PLEASE TAKE NOTICE that a hearing on the above matter, pursuant to S.C. Code Ann. Regs. 103-817, has been scheduled to begin on **Tuesday, September 18, 2018, at 10:00 a.m.**, before the Commission in the Commission's Hearing Room at 101 Executive Center Drive, Suite 100, Saluda Building, Columbia, South Carolina 29210.

For the most recent information regarding this docket, including changes in scheduled dates included in this Notice, please refer to www.psc.sc.gov and ***Docket No. 2018-212-W***.

Persons seeking information about the Commission's procedures should contact the Commission at (803) 896-5100 or visit its website at www.psc.sc.gov.

7/2/18



The Public Service Commission State of South Carolina

Jocelyn Boyd
Chief Clerk/Administrator
Phone: (803) 896-5133
Fax: (803) 896-5246

COMMISSIONERS
Comer H. "Randy" Randall, Third District
Chairman
John E. "Butch" Howard, First District
Elliott F. Elam, Jr., Second District
Thomas J. "Tom" Ervin, Fourth District
Swain E. Whitfield, Fifth District
Justin T. Williams, Sixth District
G. O'Neal Hamilton, Seventh District

Clerk's Office
Phone: (803) 896-5100
Fax: (803) 896-5199

July 2, 2018

IN RE: DOCKET NO. 2018-212-W – Colleen Walz, Chief of St. John's Fire Distric, Complainant/Petitioner v. Kiawah Island Utility, Inc., Defendant/Respondent

TO: ALL PARTIES OF RECORD
Pursuant to S.C. Code Ann. Regs. 103-845:

1. The **Complainant/Petitioner** must prefile with the Commission 1 copy of the direct testimony and exhibits of the witnesses it intends to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **August 7, 2018** (must be post-marked on or before this date).
2. The **Defendant/Respondent and the Office of Regulatory Staff** must prefile with the Commission 1 copy of direct testimony and exhibits of the witnesses they intend to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **August 21, 2018** (must be post-marked on or before this date).
3. The **Complainant/Petitioner** filing **Rebuttal Testimony** must prefile with the Commission 1 copy of the testimony and exhibits of the witnesses it intends to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **August 28, 2018** (Rebuttal testimony and exhibits must be in the offices of the Commission and in the hands of the parties on this date).
4. The **Defendant/Respondent and the ORS** filing **Surrebuttal Testimony** must prefile with the Commission 1 copy of the testimony and exhibits of the witnesses they intend to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **September 5, 2018** (Surrebuttal testimony and exhibits must be in the offices of the Commission and in the hands of the parties on this date).

Please be advised that failure to comply with the instructions contained herein could result in your proposed witnesses' testimony and exhibits being excluded in the subject proceeding. Additionally, please note that failure to comply with the above on or before the dates indicated may result in the DISMISSAL of your pleading.

Sincerely,

Clerk's Office